





#### Promoting Policy Dialogue in West African Countries

# Regional Workshop on Taxes and Tariffs on Insecticide Treated Nets (ITNs): August 29 - September 6, 2005 Accra, Ghana

## **Background:**

At the Abuja Summit on Roll Back Malaria, African Heads of State recognized that taxes and tariffs imposed on ITNs posed a barrier to their usage. They committed to "reduce or waive taxes and tariffs for mosquito nets and materials, insecticides . . . and other recommended goods and services that are needed for malaria control strategies," so that at least 60% of the most vulnerable populations "benefit from the most suitable combination of personal and community protective measures such as insecticide treated mosquito nets". The removal of taxes and tariffs was considered a necessary precondition for stimulating the growth of a commercial ITN market that would provide ITNs to those who could afford one, while scarce public funds could help the poorest and most vulnerable groups.

#### Regional issues present a special problem:

Many countries in the region still have taxes and tariffs that are affecting the production, distribution and access to ITNs. At the same time, several best practices to address taxes and tariffs exist in the region and can be shared with the goal of harmonizing approaches. Additionally, advocacy tools exist that can stimulate policy dialogue at regional and country levels. Advocacy is needed in the region at various levels to address both legal and implementation barriers to the removal of taxes and tariffs. Country "advance teams" are also necessary to spearhead in-country advocacy planning and activities.

To address this problem AED/NetMark Africa Malaria Program and the WAHO, with funding support from UASID-WARP, organized a regional workshop in Accra, Ghana from August 29 to September 6, 2005 to discuss the status of taxes and tariffs on ITNs in the participating countries; analyze opportunities and constraints to addressing them; train "advance" teams to organize country advocacy strategy, using available tools; outline follow-up activities to take place at the country level. Twenty-seven participants attended the workshop, representing Benin, Burkina Faso, Cameroon, Ghana, Nigeria, Niger, Togo, Sierra Leone; and AWARE, NetMark; AED, ECOWAS, USAID, WAHO and WHO/AFRO

During the workshop participants shared experiences and learned from each other how to address the problem of taxes and tariffs at the country level. Moreover, the workshop was intended to be a training venue for the use of an advocacy model developed by NetMark, with support from USAID/WARP. The participating country teams outlined the process of advocacy for the elimination or reduction of taxes and tariffs on ITNs to be implemented at the country level.

## **Seeking solutions:**

Less than half of the countries that signed the Abuja Declaration have so far implemented the agreed upon action on taxes and tariffs. As a result, retail prices of ITNs remain a major barrier to their acquisition. Low-income African households have to spend a substantial share of their annual disposable income to purchase an ITN at current market prices. Encouraging price decreases through elimination or reduction in taxes and tariffs is a prerequisite for their wider use. Further, the favourable environment created by elimination of taxes and tariffs would encourage competitive, but favorable, business environments that leads to even lower prices, more effective distribution networks and sustainable market development. This has been demonstrated in countries such as: Ghana, Mali, Senegal, Tanzania and Uganda, where reductions or elimination of taxes and tariffs have resulted in the retail price of ITNs falling and consumers responding to the lower prices by purchasing more nets. This has in turn increased ITN coverage appreciatively in these countries.

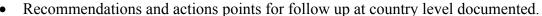
Presentations focused on the elimination/reduction of taxes and tariffs on ITNs:

- Overview on malaria and ITN use in Africa
- ITN status information in targeted countries
- General overview and rationale for the removal of taxes and tariffs on ITNs in the ECOWAS region
- Processes of tax and tariff policy change and experiences from Ghana
- Advocacy approaches and their use for policy dialogue and change in relation to taxes and tariffs on ITNs
- Understanding the psyche of political decision-makers targeted for TT policy change
- An introduction to the MoreNets Spreadsheet Model, a computer-based visual tool for enhancement of advocacy strategies for policy dialogue and change in relation to taxes and tariffs on ITNs;
- Overviews on regional agendas and achievements on malaria from:
  - West African Health Organization (WAHO)
  - o World Health Organization/Africa Region (WHO/AFRO)
  - o USAID/West Africa Regional Program (WARP)
- Targeted subsidies: NetMark's discount voucher project in Ghana

# **Workshop Outputs:**

The following outputs were achieved by the end of the workshop:

- Presentation on the status of malaria and malaria control with ITNs in the ECOWAS region.
- Presentations and discussions on the status of taxes and tariffs in participating countries.
- Presentations and discussions on the opportunities and challenges of reduction and removal of taxes and tariffs on ITNs.
- Presentations and discussions on the experiences, lessons and processes of reducing or removing taxes and tariffs on ITNs.
- Introduction to the MoreNets Spreadsheet Model
- Skills and knowledge acquired on advocacy strategy formulation for the reduction or removal of taxes and tariffs on ITNs.
- Plans of action for in-country advocacy activities with time-frames and resource needs developed.
- Country data needs required to make the MoreNets Spreadsheet Model more robust were identified.





The following recommendations were made:

- **Country briefs:** Participants to brief relevant government authorities and stakeholders about the outcome and recommendations from the workshop.
- Implementation of taxes and tariffs advocacy activities: Participants in consultation with relevant individuals/institutions to finalize work plans and implement them as integral parts of their national ITN strategies to enable them move faster towards reaching Abuja targets.
- Support from WAHO, NetMark and donors: Where necessary and appropriate, WAHO, NetMark and other stakeholders to provide political, financial and technical support for the tax and tariff removal advocacy activities.
- **Identification of information needs:** WAHO, NetMark and stakeholders to seek financial support from donors to assist countries with financial analysis to strengthen the necessary economic arguments needed for TT policy change.
- Impact assessment studies: Countries that have removed taxes and tariffs should assess and document its impact on their ITN program and disseminate the information. The need to maintain gains was emphasized.
- **Related ITN activities:** Local production of ITNs should be strengthened.
- **Follow-up Workshop:** A follow-up regional workshop on ITN taxes and tariffs should be organized within a year to evaluate the implementation of the advocacy activities at country level.

